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STAT

Civiletti Knew of Payment 2 Months Before Investigators

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WASHINGTON, Aug. 6 — The Justice Department announced today that Attorney General Benjamin R. Civiletti learned from an intelligence report in early April that Billy Carter might be receiving money from the Libyan Government but did not give that specific information to investigators in the case for nearly two months because of national security considerations.

Instead, the department said, Mr. Civiletti told his top aides that he had learned of "highly sensitive intelligence information" relating to Billy Carter and instructed them to pursue their inquiry into the Libyan ties of President Carter's brother in hopes that routine investigative techniques would uncover the payments.

In late May, such methods did disclose the existence of \$220,000 in payments to the President's brother, giving the department evidence it needed to press him to register as an agent of the Libyan Government.

Previous news accounts about the intelligence report have said that the Attorney General received it after the middle of May. Today's disclosure of a longer gap between Mr. Civiletti's discovery and the investigators' confirmation heightened interest in Washington in the dual questions of what role intelligence reports played in the case and whether senior Administration officials had jeopardized sensitive intelligence-gathering methods by their handling of highly classified reports bearing on the matter.

Civiletti Outlines Concerns

Mr. Civiletti, who was attending the American Bar Association convention in Honolulu today, said in a statement issued here by the department that he had withheld the information because disclosure might have compromised intelligence sources. He also said he had not wanted to "abort" a payment to Billy Carter because it could constitute "substantial evidence" of his duty to register.

"Since it was important that the source not be revealed," Mr. Civiletti said, "and since it was unclear whether any transaction would in fact take place, I made the decision to await developments, before disclosing the intelligence information."

It has since been determined that a Libyan check for \$20,000 was deposited in a Billy Carter bank account in last December, and that another, for \$200,000, was deposited April 15.

Eventually, Mr. Civiletti said, when existence of the payments was confirmed through other sources, he made contents of the report available to officials in the department's criminal division. He did not say whether sensitive information about the report's sources was withheld.

Weighing Intelligence Aspects

The special Senate subcommittee investigating the Billy Carter matter is examining the role of intelligence reports in the case. Officials have said that an internal Justice Department investigation of the Attorney General's conduct in the case would also review the handling of such information.

Senator Birch Bayh, the Indiana Democrat who is chairman of the special subcommittee as well as chairman of the Select Committee on Intelligence, said today that Mr. Civiletti's handling of the intelligence report appeared proper. He said it was his understanding that the agency which provided the information to Mr. Civiletti had asked him not to divulge it to anyone.

The White House said on Monday that no officials there, including the President, had ever received the report.

The role of intelligence information in the Billy Carter case has become particularly troublesome for both the Administration and Senate investigators because of the need to preserve the secrecy of American intelligence-gathering methods.

Controversy Over Brzezinski

For example, controversy has arisen over the way Zbigniew Brzezinski, the President's national security adviser, handled a March intelligence report involving Libya and Billy Carter.

In a statement to the Senate Judiciary Committee on Monday, Mr. Brzezinski said that Stansfield Turner, the Director of Central Intelligence, drew his attention in March to a "brief intelligence report which bore on Billy Carter's commercial dealings with an oil company and Libyan efforts to exploit them."

Mr. Brzezinski said that he, in turn, called the President's brother and told him he had seen information suggesting that Billy Carter was engaged in an oil deal that could embarrass both the country and the President.

Several senior intelligence officials, who asked not to be identified, said that the disclosure of information in the March report, and the time it was received, could help the original source pinpoint how the information might have reached American intelligence agencies.

More generally, they said, Mr. Brzezinski might not have shown good judgment in discussing a highly classified document with Billy Carter, who did not have a security clearance.

Mr. Brzezinski, as head of a Government agency, can authorize individuals to receive intelligence information. The officials said, however, that the March report had a high classification calling for limited distribution, and that the information was not of a kind that should have been disclosed to a private citizen.